

21/4
EETC (no enclosure)

1
coming

East European Trade Council

Suite 10, Westminster Palace Gardens, Artillery Row, London SW1P 1RL

Telephone: 01-222 7622

Telex: 291018 EETC G

Chairman: The Rt. Hon. Earl Jellicoe, K.B.E., D.S.O., M.C.

Director: J.A. McNeish

637-2821

Mrs. Baker

30 March 1989

Charles Powell Esq
10 Downing Street
London SW1A 2AA

Dear Charles

I enclose a short briefing note from the East European Trade Council listing points which my Council believe should be touched on during Mr Gorbachev's forthcoming visit to the United Kingdom. You may wish to show it to the Prime Minister.

You will note that we have not mentioned this time the visa issue. This is because the position has improved since I wrote a similar note for Mr Gorbachev's visit which was aborted as a result of the Armenian earthquake.

I was glad to see some early fruiting pictures of yourself recently sucking up to your darker constituents!

Yours truly

JELlicoe

George

MEMORANDUM FROM THE EAST EUROPEAN TRADE COUNCIL

POINTS TO BE RAISED WITH MR GORBACHEV

1. UK Industry's Competitive Strength

Emphasise the competitive strength of British Industry (steel, coal, chemicals and plant contracting) and that this is the result of massive reconstruction and modernisation in the last 10 years. On both counts the experience in reconstruction and the sharply increased competitiveness we, UK Ltd, can offer what the Soviet Union needs.

2. Management Education and Training

Perhaps the biggest single task in achieving the aims of perestroika is the changing of attitudes - motivation - and equipping managers at all levels with the skills required.

The renaissance of British Industry has been linked with the deployment of modern management techniques and marketing skills.

The FCO is the lead department and the first-ever course of Soviet managers (about 20) has been interviewed and will be starting training at the London Business School in April. The Council is arranging for British companies to offer brief secondments for Soviet managers at the end of their course. The Council is also involved in a pump-priming operation to provide up to 50% of the cost of training Soviet (and East European management) in the United Kingdom.

3. Consortia

The consortium approach by means of which a package including for example a contractor, equipment supplier and financial institution is put together to bid for a Soviet contract is of increasing importance. It brings together skills not normally possessed by a single enterprise. At the UK/USSR Joint Commission in October 1988 a temporary working group was set up to facilitate this potentially lucrative avenue into the Soviet market. The U.S.A. is already active in this novel way of doing business which has a great attraction for the U.S.S.R.

4. British-Soviet Month

This event, which is a trade exhibition for businessmen to contact their customers and potential customers, will be held in Sovincentr in Moscow during April. Cecil Parkinson is opening it on 11 April and a number of other high-level visitors from HMG, BOTB and the business sector will be visiting it.

This is another tangible expression of British companies' interest in and commitment to the Soviet market. At present 250 companies have booked exhibition space, involving not only multinationals but medium sized and small firms.

5. Soviet and East European Studies

As a result of lobbying by the EETC and the academics in the field, the Department of Education and Science has set up an enquiry into the future of Soviet and East European studies in British universities and polytechnics. The enquiry, chaired by Dr Norman Wooding, the Council's Deputy Chairman, is expected to complete its work by June. This is an illustration of the United Kingdom's long-term commitment to the Soviet market and Soviet affairs in general.
